

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
HONOLULU, HAWAII

August 2, 1984

MEMORANDUM NO. 1984-35

TO: Heads of Departments and Agencies
FROM: Hideo Murakami, Comptroller
SUBJECT: "Firm" Classification for Persons Providing Contractual Services

In our pre-audit of vouchers for payment to persons providing contractual services to the State, questions have arisen from time to time with regard to whether the person is a "firm" or an "individual", as those terms are used in the related policy memorandum of the Director of Personnel Services dated February 17, 1982.

The Attorney General has been requested to furnish legal advice on Section 76-16(15), relating to exemptions from civil service. Until such advice is received or unless the Department of Personnel Services (DPS) is instructed otherwise by the Attorney General, the word, "firm", shall be defined as follows:

"Firms include business organizations such as sole proprietorship, partnerships and corporations which are licensed to engage in or conduct business of the nature for which services are contracted for by the State."

The above definition was developed by DPS. Based on the definition, sole proprietorships do not provide "personal services" and are therefore not subject to DPS' review for exemption from civil service. In this regard, please ensure that individuals operating as sole proprietorships possess a license to engage in the business for which the services are contracted for by the State.



HIDEO MURAKAMI
Comptroller